

**REAL ESTATE APPRAISERS BOARD MEETING  
MINUTES**

**Wednesday, August 28, 2002**

**PRESENT:** LaMarr Franklin, Patrick Buckett, Mark Kowbel, DeAnn Brosman,  
Dennis Farrar, Sharon Fiedler, Roger Roslansky

**STAFF PRESENT:** Mary Forseth, Ruby Jefferson-Moore, Katharine Hildebrand, Judy Mender,  
DOE representatives, Henry Sanders, Marlene Meyer, and Grace Schwingel

**GUESTS:** Debbie Conrad, WRA  
David Hague, WTCSB  
Lawrence Sager, MATC

**CALL TO ORDER**

LaMarr Franklin called the meeting to order at 9:35 a.m. A quorum of seven voting members was present.

**AGENDA**

Amendments to Agenda: Under item 17 d. of agenda add stipulations for Kevin Walsh, and Harry M. Devitt, and Harry N. Devitt. Under item 10 a. & b. on the agenda, add correspondence for USPAP Q & A, and Appraiser Qualifications Board.

**MOTION:** Mark Kowbel moved, seconded by Patrick Buckett, to approve the agenda as amended. Motion carried unanimously.

**MINUTES (6/26/2002)**

**MOTION:** Roger Roslansky moved, seconded by De Ann Brosman, to approve the minutes as published. Motion carried unanimously.

**ADMINISTRATIVE REPORT, MARY FORSETH, BUREAU DIRECTOR**

**Board Roster**

Approved without any changes.

**2002 Meeting Dates**

Next Board meeting is 10/30/02

**2003 Meeting Dates**

The Board would prefer to meet only 5 times a year and have meetings on the third Wednesday of the month on January 15, April 16, June 18, August 20, and October 15, 2003. If the 3<sup>rd</sup> Wednesday of any of the above months is not available, the Board could meet on the fourth Wednesday of the month. Forseth will pass this information on to the Administrative Assistant for scheduling.

### **Summary Reports on Pending Court Cases, Disciplinary Cases and Administrative Rules and Press Releases**

None

### **Secretary/Deputy Secretary Comments**

Deputy Secretary Greg Horstman spoke with the Board and expressed the Department's interest in enhancing communication between the Board and the Office of the Secretary. Horstman discussed the status of the state budget, which has been finalized. Horstman noted that this is a challenging time for all state agencies because of financial constraints. The Department is working to make substantive improvements to the work and services it is responsible to perform in a cost-effective manner.

### **Regulatory Digest Articles**

Katharine Hildebrand talked with the Board about sending the Open Session Newsletter via e-mail. Some board members experienced technical difficulties in receiving the Newsletter via e-mail.

Hildebrand discussed options for distributing the Regulatory Digest via e-mail or on the Department's website, using the list service, to reduce mailing costs. The Board indicated it would prefer to continue receiving the hard copy of the Regulatory Digest because people read it now and there was a concern that with over 2,000 licensees, many would not read it if it was offered electronically. It was suggested that perhaps the Department could provide the option for licensees to receive the Regulatory Digest electronically or in hard copy as a way of transitioning into the use of technology and giving people time to adapt to this change.

There was a discussion about articles that will be written by board members and staff. DeAnn Brosman will work with Mary Reavey to prepare an article on why assessors need to conform to USPAP. Ruby Jefferson-Moore will write an article about the Board's decision not to accept "no client" appraisals for the required experience to qualify for licensure. Barb Showers is planning to write a letter about continuing education to schools and providers and this letter may be adapted as a regulatory digest article. Mark Kowbel will write an article on new USPAP c.e. requirements and number of hours required.

## **BOARD MEMBER ACTIVITY**

None

## **EDUCATION ISSUES**

### **Report of the REA Education Advisory Committee, Mark Kowbel/DeAnn Brosman**

DeAnn Brosman gave a report, highlighting the Committee's discussion at its last meeting. The Board requested a copy of the minutes from the July 18, 2002 Education Advisory Committee meeting. There was a discussion about the value of giving exams for continuing education (C.E.) credits, and if exams were to be given for C.E. credits, the Board would need to decide where the responsibility would lie for creating a good exam and ensuring security of the exams.

The Board requested the Education Committee to investigate whether it is feasible to require an exam for continuing education courses to meet the Board's requirement for continuing education credits. The Committee was asked to determine what impact an exam for C.E. credits would have: would it impact the number of courses provided, the cost of courses, how many other states have a testing requirement for C.E. courses, and how do they implement this requirement. This will be a topic for the next Board meeting to discuss after the Continuing Education Committee has had an opportunity to discuss the issue further at its October 17<sup>th</sup> meeting. Barb Showers will be writing a letter to schools regarding continuing education; the Section proposes enclosing a survey with these questions.

### **Update on CE Audit Review , Mary Forseth**

Mary Forseth reviewed the current statutes of the continuing education audit review.

## **LEGISLATION**

### **Discussion of Legislative Proposal Regarding Trainee License Classification**

The Board discussed the justification for the administrative rule proposal it has recommended. Several reasons in favor of the proposal are:

- consistency with national standards which affects reciprocity between states,
  - the Appraisers Qualifications Board (AQB) has recommended this, and
  - more experience for licensees would provide better protection to the public.
- Currently, Wisconsin has the lowest experience requirement in the nation.

The only drawback the Board could see was:

- increased experience requirements could have the potential for discouraging people from entering the profession, which could result in higher appraisal fees.

There was a discussion on the various ways people enter the real estate appraiser profession. The Board also discussed the incentive for supervising candidates seeking experience hours. It was noted that supervisors might be hesitant to oversee candidates unless a "no compete" clause was required because, in effect, they would be training their competition.

Mary Forseth will send a message to the AARO (Association of Appraiser Regulatory Officials) list service and ask each state if they have mandatory licensure and if they have a training classification. If so, is it a required license classification to receive full licensure, how many licensed appraisers and how many trainees, and is there any limit to how long an individual can remain in the trainee classification.

### **Discussions Regarding Additional Revisions to the Statutes**

Mary Forseth noted the Department has not received any new information on a legislative proposal regarding mandatory licensure. Forseth will contact Senator Moore and send board members an e-mail as to the status of Senator Moore's potential legislative proposal and will put this issue on the next agenda for the Board to discuss.

Currently the statutes require 1 public member and 2 appraisers in order for the Board to conduct its business. The Board indicated it felt it was important to keep the current standard to ensure that if decisions are made affecting the profession there are at least 2 appraisers giving input on any specific issue. There was also a discussion on the variety of ways of doing an appraisal, from doing a full inspection, to driving by the property and with some appraisals being done, site unseen. The Board had no further changes to recommend to the statutes

## **ADMINISTRATIVE RULES**

### **Update on Administrative Rule Regarding USPAP**

The administrative rules have gone through the legislative process and USPAP has instituted its 2003 rules, which need to be published before becoming effective January 1, 2003.

### **Review of Report to Legislature Regarding Proposed Revisions to Chapter RL81, RL84, and RL 85**

There was a discussion of the proposed revisions to Ch RL 81, RL 84, and RL 85. Legal Counsel, Ruby Jefferson-Moore explained the legislative process these rule changes will go through before becoming effective on January 1, 2003. The Board decided to keep the 7-hour USPAP course requirement for C.E. credits in its rules, although the January 1, 2003 effective date has been delayed.

## **APPRAISAL SUBCOMMITTEE**

### **Legal Advisory Group's Opinion Regarding ASC's Authority**

Legal Counsel, Ruby Jefferson-Moore reviewed the legal opinion as to ASC's authority, under Title XI, relating to minimum education requirements for real estate appraisers.

## **APPRAISAL FOUNDATION**

### **Appraisal Standards Board**

For informational purposes

### **Appraiser Qualifications Board**

- Appraiser Qualification Board's Proposed Revisions to Appraiser Qualifications Criteria
- Update on 7 Hour and 15 Hour National USPAP Courses

Legal Counsel, Ruby-Jefferson-Moore, reviewed the proposed revisions to the real estate appraiser qualifications criteria submitted to USPAP.

## **ASSOCIATION OF APPRAISER REGULATORY OFFICIALS**

### **Designate Attendee for AARO 2002 National Conference, October 19-22, 2002, Washington, D.C.**

Mary Forseth will attend the AARO 2002 National Conference being held October 19-22, 2002, in Washington, D.C.

## **EXAMINATION ISSUES**

None

## **DISCUSSION RELATED TO LICENSED APPRAISER EXPERIENCE HOURS**

### **Discussion Related to Increase in Hours for Licensed Appraisers Regarding Compliance with USPAP**

Mary Forseth led a discussion with the Board regarding the increase in hours of experience required from 500 to 2,000 hours and the pros and cons of the Board's decision on this issue. The main reasons supporting this increase in the number of required hours for licensure were to be consistent with the national standard. Wisconsin's requirement of 500 hours is the lowest in the nation, which leads to reciprocity issues for Wisconsin licensees with other states because of Wisconsin's low requirement. Also, the AQB is recommending this increase in hours and it is felt that the public health, safety and welfare will be better protected with a higher experience standard for real estate appraisers to meet. The only concern the Board identified was that an increase in the experience requirement could discourage potential licensees and could result in higher appraisal fees. There was a discussion as to how potential licensees could obtain the required number of experience hours. The Board's former proposal regarding the increase in hours stands. Forseth will prepare the scope statement for this rule change and will review the Board's recommendation with Secretary Herrera.

## **MISCELLANEOUS CORRESPONDENCE/INFORMATION**

### **Correspondence from Kurt Kielisch**

The Board reviewed correspondence from Kurt Kielisch regarding eminent domain and conflict of interest issues. While apparently legal, the Board was uncomfortable with the situation as outlined in this letter. Legal Counsel, Ruby Jefferson-Moore, indicated there needs to be clarification in the rules regarding what constitutes a conflict of interest. If an appraiser is a credential holder in the state of Wisconsin, that appraiser must follow the ethics provision. If the appraiser is unlicensed, the appraiser only has to answer to their own conscience. Sharon Fiedler will draft a letter to Kurt Kielisch and forward it to Mary Forseth and Ruby Jefferson-Moore for review.

## **NEW BUSINESS**

Patrick Buckett raised an issue to be put on the Board's next agenda regarding the legality of appraisers receiving land comparables information from the Department of Revenue. There has

been a communication problem regarding the release of this information. The Wisconsin Open Records law requires release of this information, but the Department of Revenue believes it cannot release the information because it has social security numbers on it. This information can be obtained from the Register of Deeds Office but it is more cumbersome and expensive to go through the Register of Deeds Office for the information. Patrick Buckett will obtain a copy of the Department of Revenue legal interpretation regarding this matter to put in the agenda packet and the Board will discuss it at its next meeting on October 30<sup>th</sup>.

## **PRESENTATION OF PROPOSED STIPULATIONS BY DIVISION OF ENFORCEMENT**

### **CLOSED SESSION**

The Division of Enforcement prosecuting attorney presented a proposed stipulation relating to Darrin J. LeBrun. See motion made on page 7 of minutes.

**MOTION:** Dennis Farrar moved, seconded by Patrick Buckett, to convene to closed session to consider discipline of persons licensed by the board or the investigation of charges against such persons [s. 19.85(1)(b), Stats.] And, to consider individual histories or disciplinary data [s. 19.85(1)(f), Stats.]. Motion carried by roll call vote: LaMarr Franklin-yes, Patrick Buckett-yes, Mark Kowbel-yes, DeAnn Brosman-yes, Dennis Farrar-yes, Sharon Fiedler-yes, Roger Roslansky-yes

Open Session recessed at 12:25 p.m.

### **RECONVENE TO OPEN SESSION**

**MOTION:** Mark Kowbel moved, seconded by DeAnn Brosman, to reconvene into open session at 1:30 p.m. Motion carried unanimously.

## **VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION, IF VOTING IS APPROPRIATE**

### **MONITORING REPORT**

#### **WALSH, JOHN**

**MOTION:** Mark Kowbel moved, seconded by DeAnn Brosman, to deny the request of John Walsh to return to full licensure because he did not comply with the board order. Motion carried. Patrick Buckett abstained.

### **CASE CLOSINGS AND CASE STATUS REPORT**

None

### **DISCIPLINARY ACTIONS**

### **STIPULATIONS**

**LEBRUN, DARRIN J.**

**MOTION:** Patrick Buckett moved, seconded by Roger Roslansky, to approve the stipulation regarding Darrin LeBrun. Case adviser was LaMarr Franklin. Motion carried unanimously.

**HARRY M. DEVITT**

**MOTION:** Patrick Buckett moved, seconded by DeAnn Brosman, to accept the stipulation and the final decision and order as presented relating to Harry M. Devitt. Motion carried unanimously.

**HARRY N. DEVITT**

**MOTION:** Patrick Buckett moved, seconded by DeAnn Brosman, to accept the stipulation and the final decision and order for 94 and 98 as presented relating to Harry N. Devitt. Motion carried unanimously.

**KEVIN WALSH**

**MOTION:** Patrick Buckett moved, seconded by DeAnn Brosman, to accept the stipulation and the final decision and order as presented relating to Kevin Walsh. Motion carried unanimously.

**EXAMINATION ISSUES, IF ANY**

None

**SUCH OTHER ITEMS AS AUTHORIZED BY LAW**

None

**ADJOURNMENT**

**MOTION:** Patrick Buckett moved, seconded by DeAnn Brosman, to adjourn the meeting at 1:40 p.m. Motion carried unanimously.

**Next Meeting: October 30, 2002**